GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA

UNSTARRED QUESTION NO:4230
ANSWERED ON:28.03.2017
Price Stabilization Fund
Gopalakrishnan Shri R.

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether the Price Stabilization Fund has been established and being handled by the Ministry;
(b) if so, the details thereof and the salient features of the said Fund;
(c) whether the said Fund has been fully utilised since its inception; and
(d) if so, the details and the outcome thereof?

Answer

THE MINISTER OF STATE
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
(SHRI C. R. CHAUDHARY)

(a) & (b) : The Price Stabilization Fund (PSF) was set up in 2014-15 under the Department of Agriculture, Cooperation & Famers Welfare (DAC&FW) to help regulate the price volatility of important agri-horticultural commodities like onion, potatoes and pulses were also added subsequently. The PSF scheme was transferred from DAC&FW to the Department of Consumer Affairs (DOCA) w.e.f. 1st April, 2016.

The scheme provides for maintaining a strategic buffer of aforementioned commodities for subsequent calibrated release to moderate price volatility and discourage hoarding and unscrupulous speculation. For building such stock, the scheme promotes direct purchase from farmers/farmers' association at farm gate/Mandi. The PSF is utilized for granting interest free advance of working capital to Central Agencies, State/UT Governments/Agencies to undertake market intervention operations. Apart from domestic procurement from farmers/wholesale mandis, import may also be undertaken with support from the Fund.

(c) & (d) : The fund allocated under PSF has been primarily utilized towards building the buffer of upto 20 lakh tonnes of pulses. In addition, other activities like creation of a buffer of 17,747 tonnes of Onions; import of 5000 tonnes of Tur and 2000tonnes of Onions; purchase of 6011 tonnes of Onions by NAFED and SFAC ; financial assistances to States like West Bengal (? 2.5 crores), Andhra Pradesh (? 25 crores) and Telangana (? 9.15 crores) for setting State Level PSF; etc. were also undertaken.
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